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SUBJECT: MEDIA REACTION: S&ED IMPACT ON U.S.-CHINA RELATIONS,
CARBON TARIFFS

Editorial Quotes

11. S&ED IMPACT ON U.S. CHINA RELATIONS

"What challenges is Obama's China policy facing?"

The official popular newspaper Beijing Youth Daily (Beijing Qingnianbao) (07/31): "In many Chinese experts' eyes, the U.S. was ultra-courteous to the Chinese delegation at the S&ED, and a broad range of issues was covered in this round of talks. This demonstrated that the U.S. is seeking to strengthen cooperation with China. Zhang Guoqing, a research fellow at the Institute of American Studies at the Chinese Academy of Social Sciences, argues that there are four challenges for Obama's China policy. First, will the U.S. fully take into account China's requests? This is not only important for the economic and technical collaboration between the U.S. and China, it is also important as a real litmus test of Obama's commitment to improve the U.S.-China relations. Second, will the Obama Administration fulfill the promises it made at the S&ED? This will have a great impact on world stability. Third, will the U.S. government be able to deal with domestic pressures? Whether Obama's China policy will continue this way remains to be seen. Fourth, can the U.S. government focus on important issues and put minor problems aside? A systematic risk prevention mechanism should be put in place to complement the S&ED."

"Sino-U.S. S&ED lays cornerstone for regional cooperation"

The Shanghai-based Shanghai Media Group (SMG) publication, China Business News (Diyi Caijing) (07/31): "Although China and the U.S. discussed global issues [at the S&ED], this does not indicate that the U.S.-China relationship has entered a new era. Experts think that a possible solution for the North Korean nuclear issue could be that the U.S. and North Korea will engage in bilateral talks first and then return to the Six Party framework. The Talks are expected to play a role in Northeast Asia similar to the Shanghai Cooperation Organization's role in Central Asia: the Six Party Talks might develop into a permanent mechanism for security consultations in Northeast Asia which could cope with conflicts in the region beyond just the North Korean nuclear issue. When the North Korean nuclear issue is resolved, this mechanism can remain for continued security consultations in Northeast Asia. On the Afghanistan issue, China cannot cooperate with the U.S. on military activities, though China has already started helping Afghanistan in its reconstruction."

12. CARBON TARIFFS

"'Carbon tariff' interrupts cooperation on climate change"

The official Communist Party People's Daily (Renmin Ribao) (07/31): "The concept of 'carbon leakage' has been exaggerated and given way too much political significance. It has become an excuse for developed countries to avoid taking action. Developed countries also use it to demand that developing countries participate in

mandatory emission reductions. This is something developing countries will not accept. As a matter of fact, the loss to industry competitiveness resulting from emission reductions is not as severe as some people claim. Developed countries should not be too concerned about this. The right to life is more important than a fair market. Developing countries have a shared belief that the 'carbon tariff' is trade protectionism under the guise of environmental protectionism."

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